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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement the Commission's Procurement Incentive Framework and to Examine the Integration of Greenhouse Gas Emission Standards into Procurement Policies.

Rulemaking 06-04-009  
(Filed April 13, 2006)

**ADMINISTRATIVE LAW JUDGES' RULING REGARDING COMMENTS ON  
STAFF REPORTING PROPOSAL**

Staffs of the California Public Utilities Commission (Public Utilities Commission) and the California Energy Commission (Energy Commission) have prepared a report entitled "Joint California Public Utilities Commission and California Energy Commission Staff Proposal for an Electricity Retail Provider GHG Reporting Protocol." Staff prepared this proposal to assist the two agencies in development of a joint recommendation to be presented to the California Air Resources Board (ARB) in September 2007. A copy of the Staff proposal is contained in Attachment A to this ruling.

Written comments on the Staff proposal may be filed no later than July 2, 2007 and reply comments may be filed no later than July 10, 2007. To the extent feasible, parties should organize comments using the same outline used in the Staff proposal.

In addition to other comments that parties may have regarding the Staff proposal, parties are asked to address the following issues in their comments:

- Whether the criteria for assessing reporting protocols identified in Section 2.3 of the report are appropriate, and whether the Staff proposal adequately complies with what you view as appropriate criteria;
- Whether the intent should be to design a reporting protocol that could be adopted directly by other states in the region and, if so, whether modifications to the Staff proposal would be needed for this purpose;
- How the proposed reporting requirements including, in particular, the use of estimates, could affect the integrity of greenhouse gas (GHG) emission allowances and whether the requirements may have implications on the ability to trade GHG emission allowances with other regimes;
- Whether adoption of any part of the Staff proposal would require changes to any existing Public Utilities Commission and/or Energy Commission policies or the adoption of new policies by either agency;
- In addition to any technical, policy, or other concerns, whether the Staff proposal raises any legal issues; and
- Whether modifications to the Staff proposal would be needed to support implementation of the recommendations in the Market Advisory Committee's draft report,<sup>1</sup> in particular, the "first seller" structure.

In addition to these issues, parties may comment on any other aspects of the Staff proposal. Each party should explain fully any concerns it raises

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<sup>1</sup> On June 1, 2007, the Market Advisory Committee issue a draft report regarding design of a GHG cap-and-trade system for California, which recommends a "first seller" structure for the electricity sector. That report is available at [http://www.climatechange.ca.gov/policies/market\\_advisory.html](http://www.climatechange.ca.gov/policies/market_advisory.html)

regarding the Staff proposal and, to the extent possible, should specify and explain the alternative resolution that it recommends.

In its proceeding 07-OIIP-01, the Energy Commission is soliciting comments on the Staff proposal. To support the two agencies' ability to develop joint recommendations to ARB, we ask that parties submit their comments both in this Rulemaking (R.) 06-04-009 and to the Energy Commission's docket 07-OIIP-01.

Procedures for submitting comments to the Energy Commission are included here for the parties' convenience. The Energy Commission encourages comments by e-mail attachments. In the subject line or first paragraph of comments, include **Docket 07-OIIP-01**. When naming your attached file, please include your name or your organization's name. The attachment should be either in Microsoft Word format or provided as a Portable Document File (PDF). Send your comments to [docket@energy.state.ca.us](mailto:docket@energy.state.ca.us) and to the project manager Karen Griffin at [kgriffin@energy.state.ca.us](mailto:kgriffin@energy.state.ca.us). In addition to electronic filing, **one paper copy** must also be sent to:

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 06-IEP-1J  
1516 Ninth Street  
Sacramento, CA 95814-5512

The schedule contained in the February 2, 2007 Assigned Commissioner's Ruling and Phase 2 Scoping Memo anticipated that an Assigned Commissioner's Ruling containing reporting recommendations to ARB would be issued in September 2007. However, we now expect that the assigned Commissioner and the Energy Commission's committee overseeing participation in this joint proceeding will issue a proposed decision on reporting requirements in mid-August 2007. The proposed decision will be based on the transcribed workshop held on April 12 and 13, 2007, the Staff report, and the comments and reply comments regarding the Staff report to be filed as allowed by this ruling. Because ARB plans to finalize its own staff report on reporting requirements in October 2007, we expect that the usual comment period for proposed decisions<sup>2</sup> will be shortened, so that the Public Utilities Commission can consider the proposed decision at its September 6, 2007 meeting. The Energy Commission expects to consider the proposed decision at its September 12, 2007 business meeting.

Therefore, **IT IS RULED** that:

1. As directed in this ruling, parties may file comments no later than July 2, 2007 regarding the Staff paper entitled "Joint California Public Utilities Commission and California Energy Commission Staff Proposal for an Electricity Retail Provider GHG Reporting Protocol" contained in Attachment A to this ruling.
2. Parties may file reply comments no later than July 10, 2007.

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<sup>2</sup> Public Utilities Commission Rules of Practice and Procedure, Rule 14.3.

3. The comments required by this ruling shall be filed at the Public Utilities Commission's Docket Office and served consistent with Rules 1.9 and 1.10 and Resolution ALJ-188. The parties shall serve their comments on the service list for R.06-04-009 posted at [www.cpuc.ca.gov](http://www.cpuc.ca.gov) when those comments are due, and shall mail a hard copy of the comments to the assigned Administrative Law Judges and the assigned Commissioner.

Dated June 12, 2007, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST  
Charlotte F. TerKeurst  
Administrative Law Judge

/s/ JONATHAN LAKRITZ  
Jonathan Lakritz  
Administrative Law Judge